

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

MARKET-DOMINANT PRICE CHANGE

Docket No. R2023-1

**RESPONSES OF THE UNITED STATES POSTAL SERVICE TO
CHAIRMAN'S INFORMATION REQUEST NO. 4**
(October 28, 2022)

The United States Postal Service hereby provides its responses Chairman's Information Request No. 4, issued on October 24, 2022. Each question is stated verbatim and is followed by its response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

James L. Tucker
Chief Counsel, Pricing & Product Support

Nickolas Card

475 L'Enfant Plaza, S.W.
Washington, D.C. 20260-1101
Nickolas.S.Card@usps.gov
October 28, 2022

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 4
P. 2 of 21**

First-Class Mail

1. Please see Attachment, filed under seal.

Response:

The response is filed separately under seal.

USPS Marketing Mail

2. Please refer to Library Reference USPS-LR-R2023-1/2, October 7, 2022, Excel files "Emerging Tech at 4 Percent Discount R2023-1.xlsx," tab "2022 3% Tier," "Emerging Tech at 3 Percent Discount R2023-1.xlsx," tab "2022 2% Tier," and "Mobile Shopping R2023-1.xlsx," tab "Mobile Shopping Delivery." The Postal Service provides a note stating "[i]n CY2023, the Emerging Tech and Mobile shopping promotions will be [combined] and offered from May 1st to November 30th 2023, USPS uses 2 months Emerging Tech volume data and 5 months [Mobile] Shopping Data" in cells F8, F8, and G8, respectively.
 - a. Please explain the rationale for this adjustment. In the response, please specifically describe how the Postal Service determined the total number of months of data to use in the adjustment across the two promotions.
 - b. Please also explain in detail the reasons for the selected mix between the two promotions (*i.e.*, that 2 of the 7 months are Emerging Tech volume and 5 of the 7 months are Mobile Shopping volume).

Response:

- a-b. As the PRC notes, The CY23 Emerging Technology promotion is being offered for 7 months (from May 1st to November 30th, 2023). The current Mobile Shopping promotion will be incorporated into the Emerging Technology promotions to streamline the program management and onboarding process for the two promotions and to offer additional opportunities for mailers to enhance the value of mailpieces with different technologies.

The Postal Service used the following conservative assumptions in its calculations: (1) mailers would adopt lower-barrier technology, like mobile

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 4
P. 4 of 21**

barcodes, over more advanced technologies that are historically used in the Emerging Technology promotion; and (2) mailers would exhibit mailing behaviors similar to their historical participation in promotions. For these reasons, the Postal Service used the CY21 Mobile Shopping promotion, which was a 5-month promotion (from August 1 to December 31, 2021) as the primary data source in its calculation of projected volumes for the CY23 Emerging Technology promotion. For the remaining 2 months of the CY23 Emerging Technology promotion, the Postal Service used 2 months of data from the CY22 Emerging Technology promotion, which ran from March 1 to August 31, 2022.

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 4
P. 5 of 21**

3. Please refer to Library Reference USPS-LR-R2023-1/2, Excel file "EarnedValue R2023-1.xlsx."
- a. Please confirm the promotion pieces in tab "MM Earned Value Current" are correct.
 - b. Please also confirm that despite products other than USPS Marketing Mail Letters being eligible for the promotion, no other products had qualifying Earned Value Reply Mail promotional volume.
 - c. If either part a. or b. is not confirmed, please provide a revised version of Excel file "EarnedValue R2023-1.xlsx" and any other supporting document as needed.

Response:

- a. Confirmed. These promotion pieces accurately reflect the values used to allocate the Earned Value Credits to various rate cells within the Letters product in Marketing Mail. However, question 3 appears to misapprehend how the credits are earned and how they are allocated in "EarnedValue R2023-1.xlsx."

The Earned Value Credit is 2 cents per piece and is earned on Courtesy Reply Mail (CRM) pieces, which accounts for 91.1 percent of such credits, Business Reply Mail (BRM) pieces (8.9 percent), and Share Mail pieces (0.016 percent). In CY2022, 299,637,716 pieces qualified for the Earned Value Credit.

The total credits used as of August 1, 2022 equaled \$2,955,671. These credits were used in these proportions: for First-Class Mail (81.9 percent), Marketing Mail Commercial (14.1 percent), and Marketing Mail Nonprofit (4.0 percent). Following the methodology established since Docket No. R2015-4, the

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 4
P. 6 of 21**

total eligible volume of 299,637,716 is broken down in these proportions, but because the Postal Service does not have visibility into which products the credits are being used for, the credits are applied to Presort Letters and Cards within First-Class Mail and to the Letters product within Marketing Mail.

- b. Not confirmed. The only pieces that are eligible to earn Earned Value Credits through this promotion are CRM, BRM, and Share Mail. Earned Value Credits can be used on USPS Marketing Mail and have been applied to USPS Marketing Mail Letters since Docket No. R2015-4.
- c. Not applicable, as detailed in the Postal Service's responses to Questions 3.a and 3.b, a revised version of Excel file "EarnedValue R2023-1.xlsx" is unnecessary.

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 4
P. 7 of 21**

Periodicals

4. Please refer to the response to Chairman's Information Request No. 1, question 9.d. and Excel file "USPS-CAPCAL-PER-R2023-1.xlsx."¹
- a. Please confirm that the price change described in the Response to CHIR No. 1, question 9.d. necessitates a change to Attachment A to the Notice. See Notice, Attachment A at 100. If not confirmed, please explain.
 - b. If part a. is confirmed, please provide any changes needed to be made to Attachment A to the Notice in legislative format.

Response:

- a. Confirmed.
- b. All required changes to pg. 100 of Attachment A have been highlighted in the revised version, which is attached to this response.

¹ Responses of the United States Postal Service to Chairman's Information Request No. 1, October 20, 2022 (Response to CHIR No. 1).

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 4
P. 8 of 21**

For the following questions, please refer to the Response to CHIR No. 1, question 6 and 39 C.F.R. § 3030.128(a) and (e). 39 C.F.R. § 3030.128(a) states that “[f]or the purpose of calculating the percentage change in rates, the current rate is the rate in effect at the time of the rate adjustment filing under [39 C.F.R.] § 3030.121” unless an exception in 39 C.F.R. § 3030.128(a)(1) or (2) applies. 39 C.F.R. § 3030.128(a). The Postal Service filed its notice of rate adjustment pursuant to 39 C.F.R. § 3030.121 on October 7, 2022. *See generally* Notice.

5. Please refer to the Response to CHIR No. 1, Excel file “USPS-CAPCAL-PER-R2023-1.xlsx,” tab “Outside County Adjustments,” cell D68, where the Postal Service lists the current price for an area distribution center (ADC) bundle containing flats or letter-shaped pieces in an ADC Sack as \$0.727.
 - a. Please confirm the rate in effect on October 7, 2022 for an ADC bundle containing flats or letter-shaped pieces in an ADC Sack was \$0.435. If not confirmed, please identify the rate for an ADC bundle containing flats or letter-shaped pieces in an ADC Sack in effect on October 7, 2022 and identify the Commission order approving that rate.
 - b. Please confirm that the rate for an ADC bundle containing flats or letter-shaped pieces in an ADC Sack is not a seasonal or temporary rate. See 39 C.F.R. § 3030.128(a)(1). If not confirmed, please explain and identify the time period(s) when the rate was seasonally or temporarily in effect.
 - c. Please confirm that the rate for an ADC bundle containing flats or letter-shaped pieces in an ADC Sack does not correspond to a rate incentive that was previously excluded from the calculation of the percentage change in rates. See 39 C.F.R. § 3030.128(a)(2). If not confirmed, please explain and identify the rate incentive to which the rate corresponds.

Response:

- a. Confirmed.

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 4
P. 9 of 21**

b. Confirmed.

c. Confirmed.

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 4
P. 10 of 21**

6. Please refer to the Response to CHIR No. 1, Excel file "USPS-CAPCAL-PER-R2023-1.xlsx," tab "Outside County Adjustments," cell D69, where the Postal Service lists the current price for a 3-Digit/sectional center facility (SCF) bundle containing flats or letter-shaped pieces in an ADC Sack as \$0.847.
- a. Please confirm the rate in effect on October 7, 2022 for a 3-Digit/SCF bundle containing flats or letter-shaped pieces in an ADC Sack was \$0.546. If not confirmed, please identify the rate for a 3-Digit/SCF bundle containing flats or letter-shaped pieces in an ADC Sack in effect on October 7, 2022 and identify the Commission order approving that rate.
 - b. Please confirm that the rate for a 3-Digit/SCF bundle containing flats or letter-shaped pieces in an ADC Sack is not a seasonal or temporary rate. See 39 C.F.R. § 3030.128(a)(1). If not confirmed, please explain and identify the time period(s) when the rate was seasonally or temporarily in effect.
 - c. Please confirm that the rate for a 3-Digit/SCF bundle containing flats or letter-shaped pieces in an ADC Sack does not correspond to a rate incentive that was previously excluded from the calculation of the percentage change in rates. See 39 C.F.R. § 3030.128(a)(2). If not confirmed, please explain and identify the rate incentive to which the rate corresponds.

Response:

- a. Confirmed.
- b. Confirmed.
- c. Confirmed.

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 4
P. 11 of 21**

7. Please refer to the Response to CHIR No. 1, Excel file "USPS-CAPCAL-PER-R2023-1.xlsx," tab "Outside County Adjustments," cell D70, where the Postal Service lists the current price for a 5-Digit bundle containing flats or letter-shaped pieces in an ADC Sack as \$0.893.
- a. Please confirm the rate in effect on October 7, 2022 for a 5-Digit bundle containing flats or letter-shaped pieces in an ADC Sack was \$0.597. If not confirmed, please identify the rate for a 5-Digit bundle containing flats or letter-shaped pieces in an ADC Sack in effect on October 7, 2022 and identify the Commission order approving that rate.
 - b. Please confirm that the rate for a 5-Digit bundle containing flats or letter-shaped pieces in an ADC Sack is not a seasonal or temporary rate. See 39 C.F.R. § 3030.128(a)(1). If not confirmed, please explain and identify the time period(s) when the rate was seasonally or temporarily in effect.
 - c. Please confirm that the rate for a 5-Digit bundle containing flats or letter-shaped pieces in an ADC Sack does not correspond to a rate incentive that was previously excluded from the calculation of the percentage change in rates. See 39 C.F.R. § 3030.128(a)(2). If not confirmed, please explain and identify the rate incentive to which the rate corresponds.

Response:

- a. Confirmed.
- b. Confirmed.
- c. Confirmed.

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 4
P. 12 of 21**

8. Please refer to the Response to CHIR No. 1, Excel file "USPS-CAPCAL-PER-R2023-1.xlsx," tab "Outside County Adjustments," cell D71, where the Postal Service lists the current price for a Carrier Route bundle containing flats or letter-shaped pieces in an ADC Sack as \$1.201.
- a. Please confirm the rate in effect on October 7, 2022 for a Carrier Route bundle containing flats or letter-shaped pieces in an ADC Sack was \$0.927. If not confirmed, please identify the rate for a Carrier Route bundle containing flats or letter-shaped pieces in an ADC Sack in effect on October 7, 2022 and identify the Commission order approving that rate.
 - b. Please confirm that the rate for a Carrier Route bundle containing flats or letter-shaped pieces in an ADC Sack is not a seasonal or temporary rate. See 39 C.F.R. § 3030.128(a)(1). If not confirmed, please explain and identify the time period(s) when the rate was seasonally or temporarily in effect.
 - c. Please confirm that the rate for a Carrier Route bundle containing flats or letter-shaped pieces in an ADC Sack does not correspond to a rate incentive that was previously excluded from the calculation of the percentage change in rates. See 39 C.F.R. § 3030.128(a)(2). If not confirmed, please explain and identify the rate incentive to which the rate corresponds.

Response:

- a. Confirmed.
- b. Confirmed.
- c. Confirmed.

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 4
P. 13 of 21**

9. Please refer to the Response to CHIR No. 1, Excel file "USPS-CAPCAL-PER-R2023-1.xlsx," tab "Outside County Adjustments," cell D72, where the Postal Service lists the current price for a Firm bundle containing flats or letter-shaped pieces in an ADC Sack as \$0.681.
- a. Please confirm the rate in effect on October 7, 2022 for a Firm bundle containing flats or letter-shaped pieces in an ADC Sack was \$0.476. If not confirmed, please identify the rate for a Firm bundle containing flats or letter-shaped pieces in an ADC Sack in effect on October 7, 2022 and identify the Commission order approving that rate.
 - b. Please confirm that the rate for a Firm bundle containing flats or letter-shaped pieces in an ADC Sack is not a seasonal or temporary rate. See 39 C.F.R. § 3030.128(a)(1). If not confirmed, please explain and identify the time period(s) when the rate was seasonally or temporarily in effect.
 - c. Please confirm that the rate for a Firm bundle containing flats or letter-shaped pieces in an ADC Sack does not correspond to a rate incentive that was previously excluded from the calculation of the percentage change in rates. See 39 C.F.R. § 3030.128(a)(2). If not confirmed, please explain and identify the rate incentive to which the rate corresponds.

Response:

- a. Confirmed.
- b. Confirmed.
- c. Confirmed.

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 4
P. 14 of 21**

10. Please refer to the Response to CHIR No. 1, Excel file "USPS-CAPCAL-PER-R2023-1.xlsx," tab "Outside County Adjustments," cell D79, where the Postal Service lists the current price for a 3-Digit/SCF bundle containing flats or letter-shaped pieces in a 3-Digit/SCF Sack as \$0.847.
- a. Please confirm the rate in effect on October 7, 2022 for a 3-Digit/SCF bundle containing flats or letter-shaped pieces in a 3-Digit/SCF Sack was \$0.410. If not confirmed, please identify the rate for a 3-Digit/SCF bundle containing flats or letter-shaped pieces in a 3-Digit/SCF Sack in effect on October 7, 2022 and identify the Commission order approving that rate.
 - b. Please confirm that the rate for a 3-Digit/SCF bundle containing flats or letter-shaped pieces in a 3-Digit/SCF Sack is not a seasonal or temporary rate. See 39 C.F.R. § 3030.128(a)(1). If not confirmed, please explain and identify the time period(s) when the rate was seasonally or temporarily in effect.
 - c. Please confirm that the rate for a 3-Digit/SCF bundle containing flats or letter-shaped pieces in a 3-Digit/SCF Sack does not correspond to a rate incentive that was previously excluded from the calculation of the percentage change in rates. See 39 C.F.R. § 3030.128(a)(2). If not confirmed, please explain and identify the rate incentive to which the rate corresponds.

Response:

- a. Confirmed.
- b. Confirmed.
- c. Confirmed.

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 4
P. 15 of 21**

11. Please refer to the Response to CHIR No. 1, Excel file "USPS-CAPCAL-PER-R2023-1.xlsx," tab "Outside County Adjustments," cell D80, where the Postal Service lists the current price for a 5-Digit bundle containing flats or letter-shaped pieces in a 3-Digit/SCF Sack as \$0.893.
- a. Please confirm the rate in effect on October 7, 2022 for a 5-Digit bundle containing flats or letter-shaped pieces in a 3-Digit/SCF Sack was \$0.467. If not confirmed, please identify the rate for a 5-Digit bundle containing flats or letter-shaped pieces in a 3-Digit/SCF Sack in effect on October 7, 2022 and identify the Commission order approving that rate.
 - b. Please confirm that the rate for a 5-Digit bundle containing flats or letter-shaped pieces in a 3-Digit/SCF Sack is not a seasonal or temporary rate. See 39 C.F.R. § 3030.128(a)(1). If not confirmed, please explain and identify the time period(s) when the rate was seasonally or temporarily in effect.
 - c. Please confirm that the rate for a 5-Digit bundle containing flats or letter-shaped pieces in a 3-Digit/SCF Sack does not correspond to a rate incentive that was previously excluded from the calculation of the percentage change in rates. See 39 C.F.R. § 3030.128(a)(2). If not confirmed, please explain and identify the rate incentive to which the rate corresponds.

Response:

- a. Confirmed.
- b. Confirmed.
- c. Confirmed.

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 4
P. 16 of 21**

12. Please refer to the Response to CHIR No. 1, Excel file "USPS-CAPCAL-PER-R2023-1.xlsx," tab "Outside County Adjustments," cell D81, where the Postal Service lists the current price for a Carrier Route bundle containing flats or letter-shaped pieces in a 3-Digit/SCF Sack as \$1.201.
- a. Please confirm the rate in effect on October 7, 2022 for a Carrier Route bundle containing flats or letter-shaped pieces in a 3-Digit/SCF Sack was \$0.687. If not confirmed, please identify the rate for a Carrier Route bundle containing flats or letter-shaped pieces in a 3-Digit/SCF Sack in effect on October 7, 2022 and identify the Commission order approving that rate.
 - b. Please confirm that the rate for a Carrier Route bundle containing flats or letter-shaped pieces in a 3-Digit/SCF Sack is not a seasonal or temporary rate. See 39 C.F.R. § 3030.128(a)(1). If not confirmed, please explain and identify the time period(s) when the rate was seasonally or temporarily in effect.
 - c. Please confirm that the rate for a Carrier Route bundle containing flats or letter-shaped pieces in a 3-Digit/SCF Sack does not correspond to a rate incentive that was previously excluded from the calculation of the percentage change in rates. See 39 C.F.R. § 3030.128(a)(2). If not confirmed, please explain and identify the rate incentive to which the rate corresponds.

Response:

- a. Confirmed.
- b. Confirmed.
- c. Confirmed.

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 4
P. 17 of 21**

13. Please refer to the Response to CHIR No. 1, Excel file "USPS-CAPCAL-PER-R2023-1.xlsx," tab "Outside County Adjustments," cell D82, where the Postal Service lists the current price for a Firm bundle containing flats or letter-shaped pieces in a 3-Digit/SCF Sack as \$0.681.
- a. Please confirm the rate in effect on October 7, 2022 for a Firm bundle containing flats or letter-shaped pieces in a 3-Digit/SCF Sack was \$0.428. If not confirmed, please identify the rate for a Firm bundle containing flats or letter-shaped pieces in a 3-Digit/SCF Sack in effect on October 7, 2022 and identify the Commission order approving that rate.
 - b. Please confirm that the rate for a Firm bundle containing flats or letter-shaped pieces in a 3-Digit/SCF Sack is not a seasonal or temporary rate. See 39 C.F.R. § 3030.128(a)(1). If not confirmed, please explain and identify the time period(s) when the rate was seasonally or temporarily in effect.
 - c. Please confirm that the rate for a Firm bundle containing flats or letter-shaped pieces in a 3-Digit/SCF Sack does not correspond to a rate incentive that was previously excluded from the calculation of the percentage change in rates. See 39 C.F.R. § 3030.128(a)(2). If not confirmed, please explain and identify the rate incentive to which the rate corresponds.

Response:

- a. Confirmed.
- b. Confirmed.
- c. Confirmed.

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 4
P. 18 of 21**

14. Please refer to the Response to CHIR No. 1, Excel file "USPS-CAPCAL-PER-R2023-1.xlsx," tab "Outside County Adjustments," cell D88, where the Postal Service lists the current price for a 5-Digit bundle containing flats or letter-shaped pieces in a 5-Digit Sack as \$0.893.
- a. Please confirm the rate in effect on October 7, 2022 for a 5-Digit bundle containing flats or letter-shaped pieces in a 5-Digit Sack was \$0.395. If not confirmed, please identify the rate for a 5-Digit bundle containing flats or letter-shaped pieces in a 5-Digit Sack in effect on October 7, 2022 and identify the Commission order approving that rate.
 - b. Please confirm that the rate for a 5-Digit bundle containing flats or letter-shaped pieces in a 5-Digit Sack is not a seasonal or temporary rate. See 39 C.F.R. § 3030.128(a)(1). If not confirmed, please explain and identify the time period(s) when the rate was seasonally or temporarily in effect.
 - c. Please confirm that the rate for a 5-Digit bundle containing flats or letter-shaped pieces in a 5-Digit Sack does not correspond to a rate incentive that was previously excluded from the calculation of the percentage change in rates. See 39 C.F.R. § 3030.128(a)(2). If not confirmed, please explain and identify the rate incentive to which the rate corresponds.

Response:

- a. Confirmed.
- b. Confirmed.
- c. Confirmed.

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 4
P. 19 of 21**

15. Please refer to the Response to CHIR No. 1, Excel file "USPS-CAPCAL-PER-R2023-1.xlsx," tab "Outside County Adjustments," cell D89, where the Postal Service lists the current price for a Carrier Route bundle containing flats or letter-shaped pieces in a 5-Digit Sack as \$1.201.
- a. Please confirm the rate in effect on October 7, 2022 for a Carrier Route bundle containing flats or letter-shaped pieces in a 5-Digit Sack was \$0.191. If not confirmed, please identify the rate for a Carrier Route bundle containing flats or letter-shaped pieces in a 5-Digit Sack in effect on October 7, 2022 and identify the Commission order approving that rate.
 - b. Please confirm that the rate for a Carrier Route bundle containing flats or letter-shaped pieces in a 5-Digit Sack is not a seasonal or temporary rate. See 39 C.F.R. § 3030.128(a)(1). If not confirmed, please explain and identify the time period(s) when the rate was seasonally or temporarily in effect.
 - c. Please confirm that the rate for a Carrier Route bundle containing flats or letter-shaped pieces in a 5-Digit Sack does not correspond to a rate incentive that was previously excluded from the calculation of the percentage change in rates. See 39 C.F.R. § 3030.128(a)(2). If not confirmed, please explain and identify the rate incentive to which the rate corresponds.

Response:

- a. Confirmed.
- b. Confirmed.
- c. Confirmed.

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 4
P. 20 of 21**

16. Please refer to the Response to CHIR No. 1, Excel file "USPS-CAPCAL-PER-R2023-1.xlsx," tab "Outside County Adjustments," cell D90, where the Postal Service lists the current price for a Firm bundle containing flats or letter-shaped pieces in a 5-Digit Sack as \$0.681.
- a. Please confirm the rate in effect on October 7, 2022 for a Firm bundle containing letters or flats in a 5-Digit Sack was \$0.165. If not confirmed, please identify the rate for a Firm bundle containing flats or letter-shaped pieces in a 5-Digit Sack in effect on October 7, 2022 and identify the Commission order approving that rate.
 - b. Please confirm that the rate for a Firm bundle containing flats or letter-shaped pieces in a 5-Digit Sack is not a seasonal or temporary rate. See 39 C.F.R. § 3030.128(a)(1). If not confirmed, please explain and identify the time period(s) when the rate was seasonally or temporarily in effect.
 - c. Please confirm that the rate for a Firm bundle containing flats or letter-shaped pieces in a 5-Digit Sack does not correspond to a rate incentive that was previously excluded from the calculation of the percentage change in rates. See 39 C.F.R. § 3030.128(a)(2). If not confirmed, please explain and identify the rate incentive to which the rate corresponds.

Response:

- a. Confirmed.
- b. Confirmed.
- c. Confirmed.

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 4
P. 21 of 21**

17. Please confirm that using the rates in effect on October 7, 2022 for the current rates in the percentage change in rates formula results in an average rate increase of 4.579 percent for Periodicals and that this exceeds the available 4.200 percent rate authority for Periodicals. If not confirmed, please explain.

Response:

Not confirmed. While adjusting the bundle prices in the before-rates revenue calculation the Postal Service also inadvertently eliminated the container prices of sacks containing flats in the before-rates revenue calculation. Correcting for both the Sack elimination and the correct price of bundles pointed out in questions 5 through 16, in calculating the before-rates revenues, the average rate increase is 3.456 percent which is less than the 4.200 Percent rate authority for Periodicals. Please see the revised Library Reference USPS-LR-R2023-1/3 "USPS-CAPCAL-PER-R2023-1BRADJ.xlsx."

ATTACHMENT A

REVISED MCS PAGES

f. Firm Bundle Piece Price

Firm bundles are charged a single-piece price of \$0.2230.

Bundle Prices (per bundle)

Bundle Level	Container Level				
	Carrier Route (\$)	5-Digit (\$)	3-Digit/SCF (\$)	ADC (\$)	Mixed ADC (\$)
Firm	0.173	0.173	0.458	0.552	0.718
Carrier Route	0.193	0.193	0.703	0.955	1.213
5-Digit		0.399	0.478	0.620	0.928
3-Digit/SFC			0.420	0.565	0.884
ADC				0.455	0.768
Mixed ADC					0.251

Container Prices (per pallet, tray, or sack)

a. Pallet Container

Entry Point	Carrier Route (\$)	5-Digit (\$)	3-Digit/SCF (\$)	ADC (\$)	Mixed ADC (\$)
DDU	3.062				
DSCF	31.238	46.988	28.852		
DADC	57.749	73.499	55.110	30.098	
DNDC	58.368	74.118	55.423	54.831	
Origin	82.009	97.759	77.104	78.797	26.922